



Working Capital Fund Quarterly Execution Report

Third Quarter, Fiscal Year 2017

August 31, 2017

Fiscal Year 2017 Report to Congress



**Homeland
Security**

Office of the Chief Financial Officer

Message from the Chief Financial Officer (Acting)

August 31, 2017

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report” for the third quarter of Fiscal Year (FY) 2017.

This report is submitted pursuant to language in the FY 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable John R. Carter
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Boozman
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jon Tester
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (202) 447-5751.

Sincerely,



Stacy Marcott
Chief Financial Officer (Acting)





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I. Legislative Language

This document has been prepared in response to the Fiscal Year 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

P.L. 115-31 states:

Provided further, that the Chief Financial Officer of the Department of Homeland Security shall submit a quarterly execution report with activity level detail, not later than 30 days after the end of each quarter.

The Joint Explanatory Statement states:

In addition, the Department shall submit quarterly WCF execution reports to the Committees that include activity-level detail.

II. WCF Third Quarter Execution Report

FY 2017 WCF Service Portfolio	FY17 Annual Plan ¹	Planned Execution ²	Total Cmmt	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	Delta	Projected Q4 Execution ⁵	FY 18 Estimated Carryover ⁶	Explanations on low Execution Rates (Column H)
GSA RENT	150,372,921	150,372,921	405	14,225,843	97,333,233	111,559,076	38,813,845	38,813,845	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Finance & Acctg Shared Services	25,513,054	25,513,054	-	11,704,897	13,808,157	25,513,054	-	-	-	N/A
Integrated Audit	14,185,090	14,185,090	-	13,541,461	-	13,541,461	643,629	643,629	643,629	N/A
Bankcard Program	49,367	49,367	-	46,120	-	46,120	3,247	3,247	-	N/A
TIER	1,096,413	1,096,413	40,385	135,729	513,168	648,897	447,516	447,516	-	TIER execution is lower than expected because of minor delays in remaining obligations - DCI support and development support.
NFC Payroll Services & Reporting	38,950,700	38,950,700	-	-	21,673,575	21,673,575	17,277,125	17,277,125	-	The remaining balance was obligated in the 4th Qtr.
Human Capital Business Systems (HCBS)	9,123,701	9,123,701	546,100	2,001,771	2,467,394	4,469,166	4,654,535	4,654,535	-	There was a delay in receiving documents from the vendor to fully execute the contract(s) according to the spend plan. Attrition and delay in hiring are also a result of the under execution rate. OCHCO is in the process of executing the contracts in the 4th Qtr.
Flexible Spending Plan	1,286,455	1,286,455	-	-	-	-	1,286,455	1,286,455	150,000	The contract was awarded to a new vendor in FY17. This caused billing delays and billing errors on behalf of the vendor. The issues have now been resolved and the funding will be executed on the 4th Qtr.
DHS EXEC. LEAD. (SES CDP)	1,794,569	1,794,569	-	68,230	465,876	534,107	1,260,462	1,260,462	-	There were many revisions that occurred with the carryover and current year funding as it relates to how the funding should be allotted for shared cost versus component specific cost. This prevented OCHCO from funding the 182s for the components training. The funding was obligated in the 4rd Qtr.
HQ Leadership Development	196,841	196,841	-	45,214	120,570	165,784	31,057	31,057	31,057	Execution rate is on target.
National Defense University	841,902	841,902	-	13,649	553,769	567,418	274,484	274,484	-	There is (1) FTE detailed to OCHCO from the Office of Policy. The employees pay hasn't consistently posted to the correct line of accounting. A reclass is being done to correct the issue.
Research Library & Information Services (RLIS)	9,644,502	9,644,502	383,481	2,116,874	4,739,625	6,856,499	2,788,003	2,788,003	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
DHS One Net	72,427,060	72,427,060	23,417,494	17,729,736	9,742,051	27,471,787	44,955,273	44,955,273	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
NCR Infrastructure Operations	116,047,178	116,047,178	15,615,788	36,206,692	38,963,080	75,169,771	40,877,407	40,877,407	500,000	The Cos have released and/or preparing solicitations to be released for quotes or proposals for requirements totaling \$12M, while \$3.6M were recently awarded and obligated in FFMS. The balance of \$25.3M are currently progressing in the pipelines to be fully executed, awarded, and obligated in 4th quarter by and/or before September 25, 2017.
CLAN Operations	25,457,505	25,457,505	7,159,020	6,868,055	2,360,113	9,228,167	16,229,338	16,229,338	-	CLAN has a major procurement that is underway to re-compete the ENSS contract. Due to the re-compete, the actions for what is typically one contract option in 2nd quarter had to be split and exercised across Q2, Q3 and Q4. The ENSS contract is over half off the core CLAN WCF so that impacted the spend.
HSPD-12	23,004,433	23,004,433	402,743	9,955,702	3,997,191	13,952,893	9,051,540	9,051,540	-	Low execution rate was due to IT change requirements to be executed in the 4th quarter.
e-Training	8,131,724	8,131,724	1,347,145	132,225	3,148,914	3,281,139	4,850,585	4,850,585	2,500,000	There was a delay in receiving documents from the vendor to fully execute the contract(s) according to the spend plan. Attrition and delay in hiring are also a result of the under execution rate. OCHCO is in the process of executing the contracts in the 4th Qtr.
Mail Services	12,214,882	12,214,882	19,730	2,798,950	7,787,205	10,586,155	1,628,727	1,628,727	-	The final PR wasn't executed until 4th quarter.
Parking Services	816,710	816,710	408,890	79,708	122,537	202,245	614,465	614,465	-	There was \$408,890 committed on the parking contracts. They will all be obligated in September.
Sedan Services	1,810,447	1,810,447	-	1,037,035	371,797	1,408,832	401,615	401,615	-	The Sedan contract option year 1 was awarded at a lower amount than was expected.
Shuttle Services	959,592	959,592	536,326	43,069	164,963	208,033	751,559	751,559	-	\$536,326 was committed on the Shuttles contract and it will be obligated in the next quarter.
Transit Subsidy	5,648,502	5,648,502	96,868	3,693,518	660,156	4,353,674	1,294,828	1,294,828	-	Transit customers had large credits resulting in less need to obligate funds on the transit contract.
Regulatory Services	271,020	271,020	34,560	-	-	-	271,020	271,020	-	Pending Interagency agreement for E-Docket. Financial documentation is under review. Anticipate full execution before August.
Fee-For-Service Total	519,844,568	519,844,568	50,008,935	122,444,478	208,993,376	331,437,854	188,406,714	188,406,714	3,824,686	

FY 2017 WCF Service Portfolio	FY17 Annual Plan ¹	Planned Execution ²	Total Cmtt	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	Delta	Projected Q4 Execution ⁵	FY 18 Estimated Carryover ⁶	Explanations on low Execution Rates (Column H)
GSA RENT	150,372,321	150,372,321	405	14,225,843	97,333,233	111,559,076	38,813,845	38,813,845	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Finance & Acctg Shared Services	25,513,054	25,513,054	-	11,704,897	13,808,167	25,513,054	-	-	-	N/A
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NFC Payroll Services & Reporting	38,950,700	38,950,700	-	-	21,673,575	21,673,575	17,277,125	17,277,125	-	The remaining balance was obligated in the 4th Qtr.
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Flexible Spending Plan	1,286,455	1,286,455	-	-	-	-	1,286,455	1,286,455	150,000	The contract was awarded to a new vendor in FY17. This caused billing delays and billing errors on behalf of the vendor. The issues have now been resolved and the funding will be executed on the 4th Qtr.
DHS EXEC. LEAD. (SES CDP)	1,794,569	1,794,569	-	68,230	465,876	534,107	1,260,462	1,260,462	-	There were many revisions that occurred with the carryover and current year funding as it relates to how the funding should be allotted for shared cost versus component specific cost. This prevented OCHCO from funding the 182s for the components training. The funding was obligated in the 4rd Qtr.
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CLAN Operations	25,457,505	25,457,505	7,159,020	6,868,055	2,360,113	9,228,167	16,229,338	16,229,338	-	CR challenges delayed the funding of larger requirements. Phased funding was needed for a major procurement with GSA FEDSIM and its follow-on in Q3 and Q4.
HSPD-12	23,004,433	23,004,433	402,743	9,955,702	3,997,191	13,952,893	9,051,540	9,051,540	-	Low execution rate was due to IT change requirements to be executed in the 4th quarter.
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Regulatory Services	271,020	271,020	34,560	-	-	-	271,020	271,020	-	Pending Interagency agreement for E-Docket. Financial documentation is under review. Anticipate full execution before August.
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Interagency Council Funding	833,830	833,830	-	-	-	-	833,830	833,830	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
USA Jobs										The remaining funds for USAJOBS was not executed during Q3 for the following reasons: OPM requested documents be sent back to them for final signature of the budget officer. Documents were sent back for the budget officer signature, however, frequent follow-ups went unanswered for return of the documents. The Program Office learned that the person required to sign the document was no longer with OPM. The Program Office has been put in touch with the appropriate, new POC and documents have been returned and will be executed
Enterprise HR Integration (EHR)	1,210,854	1,210,854	-	488,856	-	488,856	721,998	721,998	-	Execution rate is on target based on funding allotment from
e-Rulemaking	3,885,668	3,885,668	770,326	-	3,115,342	3,115,342	770,326	770,326	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Human Resources Line of Business	725,536.00	725,536	-	-	-	-	725,536	725,536	-	N/A
e-govBenefits	260,870	260,870	-	260,870	-	260,870	-	-	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Financial Management LOB	226,451	226,451	-	-	-	-	226,451	226,451	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Geospatial LOB	187,342	187,342	-	-	-	-	187,342	187,342	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Budget Formulation & Execution LOB	225,000	225,000	-	-	-	-	225,000	225,000	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
e-gov.Integrated Awards Environment	105,000	105,000	-	-	-	-	105,000	105,000	-	MOA and associated financial documentation are under review. Anticipate full execution before August.
e-Integrated Financial Assistance Environment	857,210	857,210.00	-	-	-	-	857,210	857,210	-	As of 7/20/17 DHS has not received a FINAL "bill" for usage of the Federal Audit Clearinghouse and the "bill" for the usage Grants.gov has been received and processed but no payment Program slow to obligate due to CR funding levels, Procurement actions to be executed in Q4
Performance Management LOB	472,471	472,471	-	-	-	-	472,471	472,471	-	
Government-Wide PPA Total	79,800	79,800	-	-	-	-	79,800	79,800	-	
Capital Planning and Investment Control (CPIC)	9,070,032	9,070,032	770,326	749,726	3,115,342	3,865,068	5,204,964	5,204,964	-	
Strategic Sourcing	6,946,416	6,946,416	1,557,795	2,186,963	926,899	3,113,863	3,832,553	3,832,553	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in Q4Q
CPD Shared Reporting	1,934,751	1,934,751	254,942	60,681	954,070	1,014,751	920,000	920,000	-	Procurement actions planned for Q3 were not executed because requirements were still being developed. Will be
DHS Crosscutting PPA Total	4,966,443	4,966,443	1,228,032	995,557	80,824	1,076,381	3,890,062	3,890,062	-	Due to receiving funding late in the 3rd Q, funding was not executed by 6/30/17. Funding will be executed in 4th Q
Total	542,762,210	542,762,210	53,820,030	126,437,405	214,070,511	340,507,916	202,254,294	202,254,294	3,824,686	

¹ Annual Plan loaded in FFMS.

² Cumulative planned obligations and/or expenditures through of the end of the fiscal year.

³ Total cumulative FY 2017 funds obligated in the financial system through the end of the 3rd quarter.

⁴ Total cumulative FY 2017 actual expenditures through the end of the 3rd quarter.

⁵ Planned obligations and/or expenditure through the end of the 4th Quarter according to the midyear FY 2017 spend plans.

⁶ Estimated FY 2018 carryover.